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Samuel Lowenthal

Tax Services Providers for Debtors  
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----  
In re

LEHMAN BROTHERS HOLDINGS INC., *et al.*,  
  
Debtors.  
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Chapter 11

Case No. 08-13555 (JMP)

(Jointly Administered)

**FIRST INTERIM APPLICATION OF DELOITTE TAX LLP  
FOR COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES  
AS TAX SERVICES PROVIDERS TO THE DEBTORS FOR THE PERIOD  
FROM NOVEMBER 1, 2008 THROUGH AND INCLUDING MAY 31, 2010**

Name of Applicant:	Deloitte Tax LLP
Authorized to Provide Tax Services to:	Lehman Brothers Holdings Inc.
Date of Retention:	Effective November 1, 2008 by Order Signed on March 25, 2010

***FIRST INTERIM APPLICATION:***

Period for which Compensation and Reimbursement is Sought: November 1, 2008 through May 31, 2010

Amount of Compensation Sought as Actual, Reasonable and Necessary: \$110,856.50

Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary: \$126.35

This is a: \_\_\_ monthly      x   interim    \_\_\_ final application

# **MONTHLY FEE APPLICATION SUMMARY:**

Aggregate Monthly Fee Statement for the Period November 1, 2008 - April 30, 2010 served on August 17, 2010. Amount sought:

Fees:	\$98,156.50
Expenses:	\$126.35
Amounts Paid to Date:	\$0.00

Monthly Fee Statement for the Period May 1, 2010 - May 31, 2010 served on August 19, 2010. Amount sought:

Fees:	\$12,700.00
Expenses:	\$0.00
Amounts Paid to Date:	\$0.00

# **INTERIM FEE APPLICATION SUMMARY: None filed to date**

## **FIRST INTERIM CUMULATIVE TIME SUMMARY**

For the Period of November 1, 2008 through May 31, 2010

Professional	Level	Hours	Rate	Fees
Bayne, Jamie Nicole	Staff	1.5	500.00	750.00
Casey, Jean C	Director	16.0	755.00	12,080.00
Cherry, Cynthia A	Senior Manager	4.0	447.00	1,788.00
Cook, Amber Schuyler	Staff	6.5	500.00	3,250.00
Gogerty, Sean A	Partner/Principal	34.0	900.00	30,600.00
Hicks, Arianda Lee	Manager	3.2	495.00	1,584.00
Kalarickal, Luke	Staff	32.8	395.00	12,956.00
Kalarickal, Luke*	Staff	2.0	197.50	395.00
Kelson, Debra A	Senior Associate	12.0	400.00	4,800.00
Kelson, Debra A*	Senior Associate	4.5	280.00	1,260.00
Lowenthal, Samuel	Partner/Principal	3.6	965.00	3,474.00
O'Connor, Kellie Vanessa	Staff	4.5	500.00	2,250.00
Pinger, Richard A	Director	8.0	505.00	4,040.00
Rothenbuhler, Rosemary E	Senior Manager	36.5	775.00	28,287.50
Schmidt, Beth A	Staff	9.8	290.00	2,842.00
Taylor, Rhonda Gene	Staff	1.0	500.00	500.00
TOTAL HOURS AND AMOUNT SOUGHT		179.9		\$ 110,856.50

\* Variation in rate due to type of services performed.

## **FIRST INTERIM CUMULATIVE EXPENSE SUMMARY**

For the Period of November 1, 2008 through May 31, 2010

Expense Category	Expense Total
Telecommunications	\$ 0.37
Travel - Auto	\$ 125.98
	\$ 126.35

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**FIRST INTERIM APPLICATION OF DELOITTE TAX LLP  
FOR COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES  
AS TAX SERVICES PROVIDERS TO THE DEBTORS FOR THE PERIOD  
FROM NOVEMBER 1, 2008 THROUGH AND INCLUDING MAY 31, 2010**

Deloitte Tax LLP (“Deloitte Tax”), tax services providers for Lehman Brothers Holdings Inc. (“LBHI”), and certain of its subsidiaries, debtors, and debtors-in-possession in the above-captioned cases (collectively with LBHI, the “Debtors”), submits this (i) first interim application (the “First Interim Application”) seeking allowance of compensation and reimbursement of expenses under sections 330 and 331 of title 11 of the United States Code (“the Bankruptcy Code”) for the period from November 1, 2008, through and including May 31, 2010 (the “Interim Fee Period”). In support of the First Interim Application, Deloitte Tax respectfully represents as follows:

**BACKGROUND**

1. On September 15, 2008 (the “Petition Date”), the Debtors filed petitions with the United States Bankruptcy Court for the Southern District of New York (the “Court”) under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

3. On March 25, 2010, the Court entered an Order Authorizing the Employment and Retention of Deloitte Tax LLP to provide Tax Services to the Debtors *Nunc Pro Tunc* to November 1, 2008 (the “Retention Order”) in accordance with the terms and conditions of Deloitte Tax’s engagement letter with the Debtors (as referenced in the Retention Order, the “Engagement Letters”).

4. On November 5, 2008, the Court signed the Administrative Order authorizing certain professionals to submit applications for interim compensation and reimbursement of expenses on a monthly basis pursuant to the procedures specified therein (the “Interim Compensation Order”).

#### **RELIEF REQUESTED**

5. By this First Interim Application, Deloitte Tax respectfully requests approval and payment of compensation and reimbursement of expenses for Deloitte Tax professionals to the Debtors, pursuant to Bankruptcy Code sections 330 and 331 and the Interim Compensation Order.

6. Deloitte Tax is seeking compensation in the amount of \$110,856.50 for professional services rendered by Deloitte Tax as tax services providers to the Debtors in these chapter 11 cases. Deloitte Tax also requests reimbursement of actual and necessary disbursements and charges incurred in the amount of \$126.35, which expenses were incurred in the rendition of professional services to the Debtors. On August 17, 2010, Deloitte Tax served its first monthly fee statement for the aggregate monthly periods November 1, 2008 – April 30, 2010 consistent with the Interim Compensation Order. On August 19, 2010, Deloitte Tax served its second monthly fee statement for the monthly period May 1-31, 2010 consistent with the Interim Compensation Order. The objection periods have not yet run and Deloitte Tax has not been paid any amounts to date for its services rendered during these chapter 11 cases.

7. Deloitte Tax has received no promise of payment for professional services rendered or to be rendered in these cases other than in accordance with the provisions of the Bankruptcy Code.

### **BASIS FOR RELIEF**

8. During the Interim Fee Period, professionals of Deloitte Tax devoted a total of 179.9 hours to providing tax services to the Debtors. A schedule showing the name of each such professional, hours worked during the Interim Fee Period, and hourly billing rates is provided at the front of this Application. Deloitte Tax's time records allocated by category, listing the name of the professional, the date on which the services were performed, and the amount of time spent in performing the services, are attached as Exhibits A and B.

9. Deloitte Tax also maintains records of all actual and necessary expenses incurred in connection with its rendition of services for the Debtors. The summary preceding this First Interim Application, and in Exhibit C, also includes a breakdown of expenses incurred during the Interim Fee Period. The detail for such expenses is attached to each respective monthly application referenced in the table preceding the First Interim Application.

### **DESCRIPTION OF SERVICES RENDERED**

10. Deloitte Tax provides below an overview of the services it rendered as tax services provider for the Debtors during the Interim Fee Period. Detailed descriptions of these services, the amount of fees incurred, and the amount of hours spent providing services throughout the Interim Fee Period are also provided in the attached exhibits.

11. Deloitte Tax served the Debtors in the following areas throughout the Interim Fee Period:

- Sales and Use Tax Filings and Related Matters—Applicant strategized and planned sales tax work.
- Research and Development Tax Credit and Related Matters—Applicant performed work in support of calculating Research and Development tax credit, and defense of this position with the Internal Revenue Service.
- IRS and State Examinations and Related Matters—Applicant performed work in support of continuing tax compliance related to energy trading business, including related correspondence.

- General Tax-Related Assistance—Applicant strategized and planned for ensuing tax return work and other client-requested services.
- Non-Working Travel Time (billed at 50 percent of rate)—Applicant traveled to client location(s) to meet with Debtors' personnel and perform various activities related to providing professional services to Debtors.
- Firm Retention and Related Matters—Applicant performed conflict clearance procedures; rate and resource determination; and application, declaration, and related document preparation and filing activities.
- Chapter 11 Administrative Assistance and Related Matters—Applicant performed fee forecasting, engagement maintenance, and fee application preparation and submission activities.

12. Specific and detailed descriptions of the services that Deloitte Tax provided throughout the Interim Fee Period are included in Deloitte Tax's prior monthly fee statements and included in Exhibit A. Summaries of the fees incurred and time spent within each of the areas referenced above are provided in Exhibit B.

#### **ALLOWANCE OF COMPENSATION**

13. Because of the benefits realized by the Debtors, the nature of services provided, the amount of work performed, the time consumed, and the skill required, Deloitte Tax requests that it be allowed, on an interim basis, compensation for the professional services rendered during the Interim Fee Period in the sum of \$110,856.50.

14. Deloitte Tax has disbursed, and requests reimbursement for \$126.35, which represents actual, necessary expenses incurred in rendering professional services in these chapter 11 cases.

15. No agreement or understanding exists between Deloitte Tax and any other nonaffiliated person or persons for the sharing of compensation received or to be received for professional services rendered in or in connection with these cases.

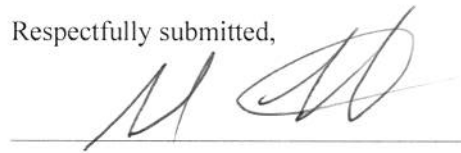
**CERTIFICATE OF COMPLIANCE AND WAIVER**

Finally, the undersigned representative of Deloitte Tax certifies that he has reviewed the requirements of Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Southern District of New York (the “Local Rules”) and that the Application substantially complies with such Local Rules. To the extent that the Application does not comply in all respects with the requirements of Local Rule 2016-2 Deloitte Tax believes that such deviations are not material and respectfully requests that any such requirement be waived.

WHEREFORE, Deloitte Tax respectfully requests that the Court (a) grant it allowance of compensation, on an interim basis, for professional services rendered as tax services provider for the Debtors during the Interim Fee Period in the sum of \$110,856.50; (b) grant reimbursement of actual and necessary expenses, on an interim basis, incurred during the Interim Fee Period in the aggregate amount of \$126.35; (c) authorize and direct payment to Deloitte Tax of the foregoing amounts in full, to the extent not already paid, and (d) grant such other and further relief as is just and proper.

Dated: September 30, 2010  
New York, New York

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'S. Lowenthal', is written over a horizontal line.

Samuel Lowenthal  
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TAX SERVICES PROVIDERS FOR  
DEBTORS AND DEBTORS IN POSSESSION



# EXHIBIT A

**EXHIBIT A**

**FIRST INTERIM CUMULATIVE TIME DETAIL**

Fee Statement Summarizing Fees for the Fee Period November 1, 2008 through May 31, 2010  
By Deloitte Tax LLP, Tax Services Providers to Lehman Brothers Holding Inc., et al, Debtors  
Categorized and Sorted by Level Then Alphabetically and Chronologically by Professional

Sales and Use Tax Filings and Related Matters				
Date	Work Description	Hours	Rate	Fees
<b>Time Detail for Lowenthal, Samuel</b>				
05/24/10	Discuss with E. Mason strategy on sales tax work.	0.1	965.00	96.50
05/27/10	Discuss with D. O'Brien strategy on sales tax work.	0.5	965.00	482.50
05/28/10	Discuss with E. Mason strategy on sales tax work.	0.1	965.00	96.50
<b>Total: Lowenthal, Samuel</b>		<b>0.7</b>	<b>hours</b>	<b>\$ 675.50</b>
<b>Total: Sales and Use Tax Filings and Related Matters</b>		<b>0.7</b>	<b>hours</b>	<b>\$ 675.50</b>

<b>Research and Development Tax Credit and Related Matters</b>
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**Time Detail for Casey, Jean C**

02/19/09	Analyze data extraction to identify purchase price of various financial product transactions.	8.0	755.00	6,040.00
02/20/09	Analyze data extraction to identify purchase price of various financial product transactions.	4.0	755.00	3,020.00
03/03/09	Prepare data summary.	4.0	755.00	3,020.00
<b>Total: Casey, Jean C</b>		<b>16.0</b>	<b>hours</b>	<b>\$ 12,080.00</b>

**Time Detail for Gogerty, Sean A**

11/04/08	Prepare revised Lehman Brothers research and development engagement letter.	1.5	900.00	1,350.00
11/06/08	Conduct Lehman Brothers conflict check for counter-parties to Lehman transactions.	1.0	900.00	900.00
11/19/08	Meet with R. Rothenbuhler to discuss status of gross receipts project.	1.0	900.00	900.00
11/20/08	Meet with R. Rothenbuhler to discuss status of gross receipts project and review preliminary calculations prepared by J. Casey.	0.5	900.00	450.00
11/21/08	Review preliminary calculations prepared by J. Casey.	1.0	900.00	900.00
11/24/08	Prepare for and call S. Lowenthal, R. Rothenbuhler, and J. Casey to establish necessary steps to respond to IRS request for finalized gross receipts calculation.	1.0	900.00	900.00
12/02/08	Review client email related to IRS request for timely filing of gross receipts recalculation and follow up with team on project status.	0.5	900.00	450.00
12/08/08	Prepare for and participate in conference call with R. Rothenbuhler and J. Casey to discuss status of project and issues to be resolved to complete gross receipts recalculation.	0.5	900.00	450.00
12/10/08	Prepare for and participate in conference call with R. Rothenbuhler and J. Casey to discuss status of project and issues to be resolved to complete gross receipts recalculation.	0.5	900.00	450.00
12/12/08	Meet with R. Rothenbuhler to discuss status of gross receipts project.	0.5	900.00	450.00
01/14/09	Prepare for and participate in conference call with J. Casey and R. Rothenbuhler to discuss work plan to develop gross receipts model for recalculation of research tax credit fixed-base percentage.	1.0	900.00	900.00
01/19/09	Prepare for and participate in conference call with J. Casey and R. Rothenbuhler to discuss calculation of Lehman Brothers gross receipts.	0.5	900.00	450.00
01/22/09	Meet with Rosemary Rothenbuhler to discuss status of data gathering performed on Lehman Brothers gross receipts calculation.	1.0	900.00	900.00

Date	Work Description	Hours	Rate	Fees
01/26/09	Prepare for and participate in conference call with R. Rothenbuhler and J. Casey to discuss progress on gross receipts calculation and details of gross-up adjustments to gross receipts.	0.5	900.00	450.00
01/27/09	Meet with R. Rothenbuhler to discuss status of gross receipts project.	0.5	900.00	450.00
01/30/09	Meet with R. Rothenbuhler to review details of Lehman Brothers gross-up calculation.	0.5	900.00	450.00
02/02/09	Prepare for and participate in conference call with J. Casey and R. Rothenbuhler to discuss calculation of Lehman Brothers gross receipts.	1.0	900.00	900.00
02/03/09	Meet with R. Rothenbuhler to discuss status of gross receipts calculation and next steps to meet IRS deliverable timeline.	0.5	900.00	450.00
02/04/09	Prepare for and participate in conference call with J. Casey and R. Rothenbuhler to discuss gross receipts model for recalculation of research tax credit fixed-base percentage and timeline for completion of project to meet IRS deliverable timeline.	0.5	900.00	450.00
02/09/09	Meet with R. Rothenbuhler to discuss how to extrapolate data to be received from J. Casey into an appropriate gross-up calculation.	1.0	900.00	900.00
02/13/09	Meet with R. Rothenbuhler to discuss how to extrapolate data to be received from J. Casey into an appropriate gross-up calculation.	1.0	900.00	900.00
02/16/09	Meet with R. Rothenbuhler to discuss how to extrapolate data to be received from J. Casey into an appropriate gross-up calculation.	0.5	900.00	450.00
02/18/09	Review data provided by J. Casey relating to grossed up revenues for specific financial product categories for Lehman Brothers; prepare extrapolation of results to revised base period gross receipts analysis.	2.5	900.00	2,250.00
02/19/09	Review data provided by J. Casey relating to grossed up revenues for specific financial product categories for Lehman Brothers; prepare extrapolation of results to revised base period gross receipts analysis.	2.0	900.00	1,800.00
02/20/09	Review data provided by J. Casey relating to grossed up revenues for specific financial product categories for Lehman Brothers; prepare extrapolation of results to revised base period gross receipts analysis.	0.5	900.00	450.00
02/23/09	Review Lehman Brothers base period documentation.	0.6	900.00	540.00
02/23/09	Meet with R. Rothenbuhler and L. Kalarickal to compute extrapolation of gross receipts recalculation for fixed-base percentage calculation.	0.9	900.00	810.00
02/24/09	Review Lehman Brothers base period documentation.	0.4	900.00	360.00
02/24/09	Meet with R. Rothenbuhler and L. Kalarickal to compute extrapolation of gross receipts recalculation for fixed-base percentage calculation.	1.1	900.00	990.00
02/25/09	Review Lehman Brothers base period documentation.	0.2	900.00	180.00
02/25/09	Meet with R. Rothenbuhler and L. Kalarickal to compute extrapolation of gross receipts recalculation for fixed-base percentage calculation.	0.8	900.00	720.00
03/02/09	Meet with R. Rothenbuhler and L. Kalarickal to finalize revised fixed-base percentage calculation for Lehman Brothers and prepare for client deliverable meeting.	1.0	900.00	900.00
03/03/09	Meet with Lehman Brothers representatives at Jersey City office to deliver revised base amount calculation and discuss results in detail with Lehman Brothers tax department personnel.	2.5	900.00	2,250.00
03/05/09	Review gross receipts gross-up methodology memo for submission to Lehman Brothers tax personnel.	2.0	900.00	1,800.00
03/10/09	Discuss with Lehman Brothers tax personnel technical merits of extrapolation of current grossed-up gross receipts to base period amounts.	0.5	900.00	450.00
03/17/09	Discuss with Lehman Brothers tax personnel technical merits of extrapolation of current grossed-up gross receipts to base period amounts.	0.5	900.00	450.00
03/19/09	Discuss with T. Zangre his conversation with IRS examination team regarding feedback received on documentation submitted to recompute fixed-base percentage for Lehman Brothers.	0.5	900.00	450.00
03/25/09	Discuss with Deloitte personnel status of obtaining bankruptcy court approval for services being provided for Lehman Brothers.	0.5	900.00	450.00

Date	Work Description	Hours	Rate	Fees
04/06/09	Review billing analysis for Lehman Brothers 2007 base amount project to determine appropriate accounting for reserves, if any.	0.5	900.00	450.00
08/13/09	Discuss with S. Lowenthal and E. Mason status of bankruptcy court approval for prior services provided to Lehman Brothers post petition date.	0.5	900.00	450.00
<b>Total: Gogerty, Sean A</b>		<b>34.0</b>	<b>hours</b>	<b>\$ 30,600.00</b>

**Time Detail for Rothenbuhler, Rosemary E**

11/17/08	Review data extraction of base period trading activity from J. Casey.	2.0	775.00	1,550.00
11/27/08	Prepare preliminary fixed-base period models and calculations.	8.0	775.00	6,200.00
02/05/09	Review revised fixed-base percentage calculation.	1.0	775.00	775.00
02/06/09	Discuss with client gross receipts being collected from client systems and how best to support identified trends.	0.5	775.00	387.50
02/18/09	Review revisions to fixed-base percentage calculation.	2.0	775.00	1,550.00
02/23/09	Call client to review historic base period calculation information sources.	1.0	775.00	775.00
02/26/09	Draft technical memorandum regarding zero-fixed-base percentage position for Lehman.	2.0	775.00	1,550.00
03/02/09	Prepare for and participate in call with client to discuss status of engagement and request missing annual reports.	1.0	775.00	775.00
03/03/09	Revise base period calculations for additional data extract provided by J. Casey.	6.0	775.00	4,650.00
03/04/09	Review historic annual reports for information pertaining to base period.	5.0	775.00	3,875.00
03/05/09	Review revised fixed-base period calculations.	4.0	775.00	3,100.00
03/09/09	Review methodology memo.	1.0	775.00	775.00
03/11/09	Review revised methodology memo.	0.5	775.00	387.50
03/12/09	Discuss with client format of Deloitte deliverable.	0.5	775.00	387.50
03/19/09	Meet with S. Gogerty to review deliverable calculations and memorandum; prepare final revisions.	2.0	775.00	1,550.00
<b>Total: Rothenbuhler, Rosemary E</b>		<b>36.5</b>	<b>hours</b>	<b>\$ 28,287.50</b>

**Time Detail for Kalarickal, Luke**

02/18/09	Prepare and calculate fixed-base percentage.	2.7	395.00	1,066.50
02/19/09	Review fixed-base percentage calculation.	0.1	395.00	39.50
02/25/09	Review and revise fixed-base percentage calculation.	1.3	395.00	513.50
02/26/09	Review base period gross receipts and qualified research expense summaries for Lehman and other entities.	2.0	395.00	790.00
02/26/09	Update and revise fixed -base percentage calculation.	2.4	395.00	948.00
03/02/09	Update and revise fixed -base percentage calculation.	4.8	395.00	1,896.00
03/03/09	Prepare for meeting at client site.	1.0	395.00	395.00
03/03/09	Participate in meeting with client to discuss extrapolations used to determine fixed-base percentages; gather tax returns, tax statements and other supporting documents for acquired entities; and review such entities to better understand their role/involvement.	3.5	395.00	1,382.50
03/03/09	Draft, review and revise fixed-base percentage gross receipts calculation methodology memo.	2.3	395.00	908.50
03/04/09	Review historic annual reports for information pertaining to base period.	4.6	395.00	1,817.00
03/05/09	Update and revise fixed -base percentage calculation.	3.0	395.00	1,185.00
03/05/09	Review and revise methodology memo.	4.1	395.00	1,619.50
03/06/09	Produce and review deliverable for client.	1.0	395.00	395.00
<b>Total: Kalarickal, Luke</b>		<b>32.8</b>	<b>hours</b>	<b>\$ 12,956.00</b>

**Total: Research and Development Tax Credit and Related Matters 119.3 hours \$ 83,923.50**

Date	Work Description	Hours	Rate	Fees
<b>IRS and State Examinations and Related Matters</b>				
<b>Time Detail for Pinger, Richard A</b>				
11/05/08	Review and sign Virginia state tax return.	1.0	505.00	505.00
11/06/08	Meet with C. Cherry to discuss Colorado and Florida state tax returns.	0.5	505.00	252.50
11/14/08	Review and sign New Mexico state tax return.	1.0	505.00	505.00
11/18/08	Review and sign Illinois state tax return.	1.0	505.00	505.00
11/21/08	Meet with C. Cherry to discuss natural gas sales data.	1.0	505.00	505.00
11/24/08	Review and finalize New York state tax return.	0.5	505.00	252.50
12/10/08	Review and finalize Ohio state tax return.	1.0	505.00	505.00
12/12/08	Review and finalize Texas state tax return.	1.0	505.00	505.00
01/22/09	Review and finalize Virginia state tax return.	0.5	505.00	252.50
01/26/09	Review and finalize Wyoming state tax return.	0.5	505.00	252.50
<b>Total: Pinger, Richard A</b>		<b>8.0</b>	<b>hours</b>	<b>\$ 4,040.00</b>
<b>Time Detail for Cherry, Cynthia A</b>				
11/06/08	Review and finalize Colorado and Florida state tax returns.	1.0	447.00	447.00
11/06/08	Review and finalize Illinois state tax return.	0.5	447.00	223.50
11/19/08	Review and finalize Louisiana state tax return.	0.5	447.00	223.50
11/20/08	Review and finalize Maryland state tax return.	1.0	447.00	447.00
11/21/08	Meet with R. Pinger to discuss natural gas sales data.	1.0	447.00	447.00
<b>Total: Cherry, Cynthia A</b>		<b>4.0</b>	<b>hours</b>	<b>\$ 1,788.00</b>
<b>Time Detail for Kelson, Debra A</b>				
11/07/08	Prepare powers of attorney for Louisiana and Ohio to represent Lehman Brothers Commodity Services, Inc. on state sales and use tax client matters related to natural gas.	1.0	280.00	280.00
11/12/08	Review powers of attorney for Florida and Virginia to represent Lehman Brothers Commodity Services, Inc. on state sales and use tax client matters related to natural gas.	0.5	280.00	140.00
11/18/08	Review state tax returns for Colorado, Florida, Illinois, Louisiana, Maryland, Mississippi, New Jersey, New Mexico, New York, Ohio, Texas, Virginia, and Wyoming.	1.0	280.00	280.00
11/20/08	Prepare powers of attorney for New Jersey and Maryland to represent Lehman Brothers Commodity Services, Inc. on state sales and use tax client matters related to natural gas.	1.0	280.00	280.00
11/20/08	Review powers of attorney for Mississippi and Maryland (continued) to represent Lehman Brothers Commodity Services, Inc. on state sales and use tax client matters related to natural gas.	0.5	280.00	140.00
01/05/09	Meet with C. Cherry to discuss tax return status.	0.5	280.00	140.00
<b>Total: Kelson, Debra A</b>		<b>4.5</b>	<b>hours</b>	<b>\$ 1,260.00</b>
<b>Time Detail for Bayne, Jamie Nicole</b>				
11/07/08	Prepare power of attorney for Texas to represent Lehman Brothers Commodity Services, Inc. on state sales and use tax client matters related to natural gas.	1.0	500.00	500.00
11/07/08	Prepare power of attorney for Virginia to represent Lehman Brothers Commodity Services, Inc. on state sales and use tax client matters related to natural gas.	0.5	500.00	250.00
<b>Total: Bayne, Jamie Nicole</b>		<b>1.5</b>	<b>hours</b>	<b>\$ 750.00</b>
<b>Time Detail for Cook, Amber Schuyler</b>				
11/06/08	Prepare power of attorney for Mississippi to represent Lehman Brothers Commodity Services, Inc. on state sales and use tax client matters related to natural gas.	1.0	500.00	500.00

Date	Work Description	Hours	Rate	Fees
11/06/08	Prepare powers of attorney for New Mexico and Wyoming to represent Lehman Brothers Commodity Services, Inc. on state sales and use tax client matters related to natural gas.	1.0	500.00	500.00
11/13/08	Prepare powers of attorney for Illinois and Colorado to represent Lehman Brothers Commodity Services, Inc. on state sales and use tax client matters related to natural gas.	1.0	500.00	500.00
11/18/08	Prepare Colorado state tax return.	1.0	500.00	500.00
11/18/08	Prepare New Jersey state tax return.	1.0	500.00	500.00
11/18/08	Prepare Mississippi state tax return.	1.0	500.00	500.00
02/05/09	Prepare Ohio state tax return.	0.5	500.00	250.00
<b>Total: Cook, Amber Schuyler</b>		<b>6.5</b>	<b>hours</b>	<b>\$ 3,250.00</b>

**Time Detail for O'Connor, Kellie Vanessa**

12/05/08	Prepare information document request memo relating to state compliance engagement.	2.5	500.00	1,250.00
12/08/08	Continue to prepare information document request memo relating to state compliance engagement.	2.0	500.00	1,000.00
<b>Total: O'Connor, Kellie Vanessa</b>		<b>4.5</b>	<b>hours</b>	<b>\$ 2,250.00</b>

**Time Detail for Taylor, Rhonda Gene**

11/18/08	Review state tax returns for Colorado, Florida, Illinois, Louisiana, Maryland, Mississippi, New Jersey, New Mexico, New York, Ohio, Texas, Virginia, and Wyoming.	1.0	500.00	500.00
<b>Total: Taylor, Rhonda Gene</b>		<b>1.0</b>	<b>hours</b>	<b>\$ 500.00</b>

**Total: IRS and State Examinations and Related Matters 30.0 hours \$ 13,838.00**

**General Tax-Related Assistance**

**Time Detail for Lowenthal, Samuel**

05/24/10	Discuss with E. Mason overall status of multiple requests of LBHI tax director.	0.5	965.00	482.50
05/26/10	Discuss Lehman tax return work with J. Canty.	0.1	965.00	96.50
05/28/10	Discuss with E. Mason overall status of multiple requests of LBHI tax director.	0.4	965.00	386.00
<b>Total: Lowenthal, Samuel</b>		<b>1.0</b>	<b>hours</b>	<b>\$ 965.00</b>

**Total: General Tax-Related Assistance 1.0 hours \$ 965.00**

**Non-Working Travel Time**

**Time Detail for Kalarickal, Luke**

03/03/09	Travel to and from client site for meeting.	2.0	395.00	790.00
<b>Total: Kalarickal, Luke</b>		<b>2.0</b>	<b>hours</b>	<b>\$ 790.00</b>

**Subtotal: Non-Working Travel Time 2.0 hours \$ 790.00**  
**Reduction: Non-Working Travel Time (395.00)**  
**Total: Non-Working Travel Time \$ 395.00**

**Firm Retention and Related Matters**

**Time Detail for Lowenthal, Samuel**

05/18/10	Summarize Friday meeting and next steps as requested by client.	0.5	965.00	482.50
<b>Total: Lowenthal, Samuel</b>		<b>0.5</b>	<b>hours</b>	<b>\$ 482.50</b>

**Total: Firm Retention and Related Matters 0.5 hours \$ 482.50**

Date	Work Description	Hours	Rate	Fees
<b>Chapter 11 Administrative Assistance and Related Matters</b>				
<b>Time Detail for Lowenthal, Samuel</b>				
05/18/10	Discuss with S. Gogerty, B. Schmidt, L. Kelly necessary steps in preparing May fee statement.	0.4	965.00	386.00
05/20/10	Discuss with S. Gogerty, B. Schmidt, L. Kelly necessary steps in preparing May fee statement.	0.2	965.00	193.00
05/21/10	Discuss with S. Gogerty, B. Schmidt, L. Kelly necessary steps in preparing May fee statement.	0.4	965.00	386.00
05/26/10	Exchange messages with B. Schmidt regarding billing matters.	0.2	965.00	193.00
05/27/10	Exchange messages with B. Schmidt regarding billing matters.	0.2	965.00	193.00
<b>Total: Lowenthal, Samuel</b>		<b>1.4</b>	<b>hours</b>	<b>\$ 1,351.00</b>
<b>Time Detail for Hicks, Arianda Lee</b>				
05/06/10	Review emails regarding prior billing to Lehman.	0.5	495.00	247.50
05/11/10	Review prior Lehman billing.	0.2	495.00	99.00
05/20/10	Review reports to determine necessary data to send B. Schmidt for fee preparation; discuss same with B. Schmidt.	0.5	495.00	247.50
05/24/10	Discuss with B. Schmidt 11/08-04/10 fee statement.	0.5	495.00	247.50
05/25/10	Review Lehman bills with D. Kelson.	0.5	495.00	247.50
05/26/10	Review fee data spreadsheet related to 11/08-04/10 fee statement.	0.5	495.00	247.50
05/27/10	Discuss with B. Schmidt 11/08-04/10 fee statement.	0.5	495.00	247.50
<b>Total: Hicks, Arianda Lee</b>		<b>3.2</b>	<b>hours</b>	<b>\$ 1,584.00</b>
<b>Time Detail for Kelson, Debra A</b>				
05/11/10	Meet with A. Hicks to discuss billing analysis.	0.5	400.00	200.00
05/14/10	Complete production planning budget billing research.	1.5	400.00	600.00
05/14/10	Extract billing data and respond to related emails.	2.5	400.00	1,000.00
05/18/10	Analyze client analysis detail report.	1.5	400.00	600.00
05/19/10	Extract billing data and read and respond to related emails.	1.5	400.00	600.00
05/20/10	Complete production budget planning.	1.5	400.00	600.00
05/26/10	Analyze client analysis detail report.	1.5	400.00	600.00
05/28/10	Research and format client analysis detail research.	1.5	400.00	600.00
<b>Total: Kelson, Debra A</b>		<b>12.0</b>	<b>hours</b>	<b>\$ 4,800.00</b>
<b>Time Detail for Schmidt, Beth A</b>				
05/03/10	Draft email to engagement leadership regarding set-up of chapter 11 case.	2.0	290.00	580.00
05/06/10	Review engagement acceptance and court documents; communicate guidelines and information needed to engagement leadership.	0.5	290.00	145.00
05/18/10	Discuss with S. Lowenthal status and next steps relating to billing 2008/2009 fees and prepare/send email to S. Gogerty and R. Pinger soliciting information needed to proceed.	0.2	290.00	58.00
05/18/10	Discuss with R. Young status and next steps relating to billing; update files accordingly.	0.3	290.00	87.00
05/18/10	Review docket documents and prepare/send email to engagement team leadership regarding fee statement schedule and work categorization.	1.8	290.00	522.00
05/19/10	Download and review 11/08-04/10 expenses relating to research and development services rendered; update data and return to S. Gogerty for further input.	0.4	290.00	116.00
05/19/10	Review 11/08-04/10 fees relating to research and development services rendered; update data and return to S. Gogerty for further input.	2.2	290.00	638.00

Date	Work Description	Hours	Rate	Fees
05/24/10	Discuss with A. Hicks requirements for fee statement for 2008 tax services.	0.6	290.00	174.00
05/26/10	Respond to email from L. Kelly regarding work categories, training, and timing of upcoming fee statements.	0.3	290.00	87.00
05/27/10	Review and provide feedback on fee data relating to state tax return preparation and related matters.	1.5	290.00	435.00
Total: Schmidt, Beth A		<u>9.8</u>	hours	<u>\$ 2,842.00</u>
Total: Chapter 11 Administrative Assistance and Related Matters		<u>26.4</u>	hours	<u>\$ 10,577.00</u>
Total: November 1, 2008 -- May 31, 2010		<u>179.9</u>	hours	<u>\$ 110,856.50</u>



# **EXHIBIT B**

**EXHIBIT B**

**FIRST INTERIM CUMULATIVE MATTER SUMMARY**

For the Fee Period November 1, 2008 through May 31, 2010

By Deloitte Tax LLP, Tax Services Providers to Lehman Brothers Holding Inc., et al, Debtors

<b>Work Category</b>	<b>Hours</b>	<b>Fees</b>
Sales and Use Tax Filings and Related Matters	0.7	675.50
Research and Development Tax Credit and Related Matters	119.3	83,923.50
IRS and State Examinations and Related Matters	30.0	13,838.00
General Tax-Related Assistance	1.0	965.00
Non-Working Travel	2.0	395.00
Firm Retention and Related Matters	0.5	482.50
Chapter 11 Administrative Assistance and Related Matters	26.4	10,577.00
	<b>179.9</b>	<b>110,856.50</b>

# **FIRST INTERIM CUMULATIVE TIME SUMMARY**

Fee Statement Summarizing Fees for the Fee Period November 1, 2008 through May 31, 2010

By Deloitte Tax LLP, Tax Services Providers to Lehman Brothers Holding Inc., et al, Debtors

Categorized and Sorted by Level Then Alphabetically by Professional

Professional	Level	Hours	Rate	Fees
<b>Sales and Use Tax Filings and Related Matters</b>				
Lowenthal, Samuel	Partner/Principal	0.7	965.00	\$ 675.50
		0.7 hours		\$ 675.50
<b>Research and Development Tax Credit and Related Matters</b>				
Casey, Jean C	Director	16.0	755.00	\$ 12,080.00
Gogerty, Sean A	Partner/Principal	34.0	900.00	30,600.00
Rothenbuhler, Rosemary E	Senior Manager	36.5	775.00	28,287.50
Kalarickal, Luke	Staff	32.8	395.00	12,956.00
		119.3 hours		\$ 83,923.50
<b>IRS and State Examinations and Related Matters</b>				
Pinger, Richard A	Director	8.0	505.00	\$ 4,040.00
Cherry, Cynthia A	Senior Manager	4.0	447.00	1,788.00
Kelson, Debra A	Senior Consultant	4.5	280.00	1,260.00
Bayne, Jamie Nicole	Staff	1.5	500.00	750.00
Cook, Amber Schuyler	Staff	6.5	500.00	3,250.00
O'Connor, Kellie Vanessa	Staff	4.5	500.00	2,250.00
Taylor, Rhonda Gene	Staff	1.0	500.00	500.00
		30.0 hours		\$ 13,838.00
<b>General Tax-Related Assistance</b>				
Lowenthal, Samuel	Partner/Principal	1.0	965.00	\$ 965.00
		1.0		\$ 965.00
<b>Non-Working Travel Time</b>				
Kalarickal, Luke	Staff	2.0	395.00	\$ 790.00
		2.0 hours		790.00
Reduction for non-working travel time				(395.00)
				\$ 395.00
<b>Firm Retention and Related Matters</b>				
Lowenthal, Samuel	Partner/Principal	0.5	965.00	\$ 482.50
		0.5 hours		\$ 482.50
<b>Chapter 11 Administrative Assistance and Related Matters</b>				
Lowenthal, Samuel	Partner/Principal	1.4	965.00	\$ 1,351.00
Hicks, Arianda Lee	Manager	3.2	495.00	1,584.00
Kelson, Debra A	Senior Associate	12.0	400.00	4,800.00
Schmidt, Beth A	Staff	9.8	290.00	2,842.00
		26.4		\$ 10,577.00
<b>Total Fees Sought: 11/01/08-05/31/10</b>		<b>179.9 hours</b>	<b>\$</b>	<b>110,856.50</b>

# EXHIBIT C

**EXHIBIT C**

**FIRST INTERIM CUMULATIVE EXPENSE DETAIL**

Reflecting Expenses for the Period November 1, 2008 through May 31, 2010

By Deloitte Tax LLP, Tax Services Providers to Lehman Brothers Holding Inc., et al, Debtors

Sorted by Category

**Categorized by Expense Type**

Date	Amount	Professional	Description
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**Telecommunications**

02/02/2009	\$ 0.37	Gogerty, Sean A	Conference call expense to discuss calculation of gross receipts; includes J. Casey, R. Rothenbuhler.
	<u>\$ 0.37</u>	<b>Sub-total: Telecommunications</b>	

**Travel - Auto**

03/03/2009	\$ 18.00	Gogerty, Sean A	Parking expense while attending client meeting.
03/03/2009	\$ 86.81	Gogerty, Sean A	Taxi/car service expense for travel to client meeting in Jersey City, NJ.
03/03/2009	\$ 21.17	Gogerty, Sean A	Taxi/car service expense for travel to client meeting in Jersey City, NJ.
	<u>\$ 125.98</u>	<b>Sub-total: Travel - Auto</b>	

<u><u>\$ 126.35</u></u>	<b>Total expense reimbursement sought for 11/01/08-05/31/10</b>
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